



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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February 9, 2005

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 1560

Dick Turner
C/O Rancho Equipment
1557 W Ashby Road
Delta, Utah 84624-7357

Subject: Second Review of Notice of Intention to Commence Large Mining Operations, Rancho Equipment, Red Emerald Mine, M/001/058, Beaver County, Utah

Dear Mr. Turner:

The Division has completed a review of your draft response to the Division's initial technical review sent to you on October 19, 2005 for the Red Emerald mine, located in Beaver County, Utah. Your response was received on December 16, 2004. After reviewing the information, the Division has the following comments which still need to be addressed before tentative approval may be granted.

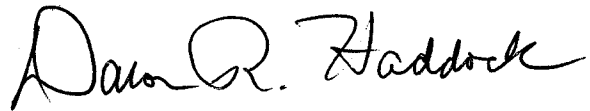
The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion. **Please address only those items requested in the attached technical review. Please send replacement pages of the original notice using redline and strikeout text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.** Please provide a response to this review by March 11, 2005.

The Division will suspend further review of the Red Emerald mine Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me, Tom Munson, Paul Baker or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review,

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please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is written in a cursive style with a large, stylized "D" and "H".

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:tmjb
Attachment: Review
cc: Ed Ginouves, BLM, Cedar City
O:\M001-Beaver\M0010058-RedEmerald\final\rev#2-02092005-.doc

SECOND REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

**Rancho Equipment
Red Emerald Mine**

**M/001/058
February 9, 2005**

R647-4-105 - Maps, Drawings & Photographs

105.3 Drawings or Cross Sections (slopes, roads, pads, etc.)

Utilizing the scale on Map #4 the length of the disturbed area to be shown on Cross-section A-A' is ~536' – The disturbance shown on Cross-section shows the affected area as ~339'. Also the waste dump profile on the cross section shows indicates an affected area of 203' but on the Map #4 this area is only 136'. Please correct the disparities between these two figures. (DJ)

On Cross-section B-B' the scale is shown as 1"= 40' but on the bar scale 1" equals ~58'. Also on Cross-section B-B' the disturbance shown on the cross-section does not match the area shown on Map #4. Please correct these problems. (DJ)

The Cross-sections should be drawn showing elevation marks. The Division is unable to calculate volumes without elevation references. (DJ)

The plan states that an explosive magazine will be located at the site. Will there be any ANFO used in conjunction with the explosives?

Please show the location of these areas on the maps in the plan. (DJ)

R647-4-106 - Operation Plan

106.6 Plan for protecting & redepositing soils

In Section III, "Reclamation Plan for Mine Site," Item 7, the plan says 500 yards per acre of topsoil or organic matter will be placed over all disturbed areas. This would be an excessive amount of organic material, but, based on other parts of the text, it appears the operator intends that this amount is intended to be for topsoil application. This should be clarified, and if the operator means to apply organic matter, the plan needs to contain this commitment. The Division recommends applying 5-10 tons per acre of composted manure and that the operator include this commitment in the plan. (PBB)

R647-4-107 - Operation Practices

107.1 Public safety & welfare

107.1.14 Posting warning signs

If blasting is to occur at the site, a blasting protocol should be posted at the entrance of the mine to warn visitors of blasting procedures. (DJ)

R647-4-110 - Reclamation Plan

110.2 Roads, highwalls, slopes, drainages, pits, etc., reclaimed

Cross-sections contained in the plan indicates that waste material will be placed on benches of the pit to partially reduce the overall highwall angle and to reduce the visual impacts.

Please describe in the plan how the material from the waste dump located on the southeast portion of the mine will be moved to benches on the northwest side of the pit. (DJ)

110.5 Revegetation planting program

In Section 106.7, page 7, the plan says vegetation cover is 30 percent, but on page 8 in this same section, the plan indicates 70 percent of this figure is 30-35 percent. Seventy percent of 30 is 21, so please make this minor correction. (PBB)

R647-4-111 - Reclamation Practices

111.12 Topsoil redistribution

A statement on the "Area of Disturbance Map" says that topsoil will be hauled in. Please state in the plan where this material will be hauled from? What will be the reclamation treatments of this area? Is this disturbance a part of the total acreage included in the plan?

R647-4-113 - Surety

The plan should contain more information concerning the use of spray coating to reduce the visual impact of the light colored highwalls. (DJ)